

CONTRACTING BY NEGOTIATION

CLASSROOM EXERCISES

FEDERAL ACQUISITION INSTITUTE
CURRICULUM OF PROCUREMENT
TRAINING COURSES

CURRENT THROUGH
FAC 90-20

OFFICE OF ACQUISITION POLICY
GENERAL SERVICES ADMINISTRATION

INTRODUCTIONS

NAME:

OFFICE/AGENCY:

TITLE:

REASON FOR ATTENDING THIS COURSE:

HOW LONG HAVE YOU BEEN IN CONTRACTING?

WHAT OTHER PROCUREMENT COURSES HAVE YOU TAKEN:

HOW DO YOU THINK THIS COURSE WILL HELP YOU DO YOUR JOB?

Case Study I-1

"Group Dynamics"

The objective of this exercise is to establish ground rules and operating procedures to be followed by your group.

Directions: Part I. Assign roles to group members and name your group.

Identify a facilitator _____

The facilitator acts as the group leader and is responsible for keeping the group focused on the objective.

Identify a recorder _____

The recorder keeps the group's notes and is responsible for preparing the group's written assignment when required.

Identify a time keeper _____

The time keeper is responsible for the time being spent by the group.

Identify a spokesperson for each day of the week:

Monday _____

Tuesday _____

Wednesday _____

Thursday _____

Friday _____

The spokesperson responds for the group and makes presentations.

Give your group a one word name: _____

Directions: Part II. Each group is to establish the ground rules and operating procedures that would work best with their group.

Establishing *Ground Rules* is an effective way to deal with the behavioral norms that evolve in a team. Usually norms develop in an unspoken, but understood manner. However, we often make assumptions about how to behave that are vastly different than other peoples'. By providing guidelines up front, everyone knows what is expected and confusion is avoided.

Some sample *Ground Rules* are:

- Only one person speaks at a time.
- Everyone participates.
- No "zingers", put-downs or cheap shots about others' ideas.
- Open disagreement is okay.
- Listening is important.
- Respect one another, respect the team.
- It's okay to enjoy the process and maintain a positive attitude.
- Celebrate achievements.
- Share all relevant information.
- Keep agreements.

Establishing *Operating Procedures* can also save a team a lot of time in the long run. Deciding how you will work together, and what procedures to follow, assists in effective decision making.

Some sample *Operating Procedures* are:

- Arrive on time for meetings.
- Clarify roles at each meeting - rotate facilitating, recording, time keeping.
- Make decisions by consensus.

Since you are a new team, you need to get acquainted with one another and begin the process of trust building. Take five minutes to share information about yourself with each other. Your first task is to establish Ground Rules and Operating Procedures.

List your team's ***Ground Rules*** here and transfer them to the flipchart page.

List your team's ***Operating Procedures*** here and transfer them to the flipchart sheet.

You are free to change or add to your lists at any time. However, changes must be a team decision. Tape your lists on the wall near your group--don't forget to write your group name on the flipchart sheet.

DEVELOPING A CLIMATE FOR EFFECTIVE COMMUNICATION

The climate of a team affects the ability of its members to work well together. One way to conceptualize the influence of climate is listed below.

These kinds of behaviors ...	produce this kind of climate ...	which results in these kinds of responses ...
CONFIRMING	D E F E N S I V E	CONFORMING
PUNISHING		RESENTING
REGULATING		DEPENDING
TELLING		AVOIDING INITIATIVE
SHAMING		HIDING & DENYING
GUILT-PRODUCING		APATHY & DEPRESSION
JUDGING		DECEPTION
LISTENING	A C C E P T I N G	EXPERIMENTING
UNDERSTANDING		CREATING
TRUSTING		RISKING
SHARING		AUTONOMY
CLARIFYING		PARTICIPATION
REWARDING		PRODUCING

ACTIVE LISTENING - WHAT DOESN'T WORK

1. EVALUATION, JUDGING. Deciding whether they're *right* or *wrong*.
2. CRITICIZING. Telling them what's *wrong* with them.
3. MORALIZING, PREACHING. Telling what they *should, ought, or are supposed* to do.
4. ORDERING, DIRECTING, COMMANDING.
5. WARNING, THREATENING.
6. NAME-CALLING, RIDICULING, SHAMING.
7. PROBING INTERROGATING. Looking for their motives, or what's wrong.
8. BLAMING, FINDING FAULT, DISAGREEING.
9. ADVISING, GIVING SUGGESTIONS OR SOLUTIONS. Rescuer trap.
10. PERSUADING WITH LOGIC, ARGUING, INSTRUCTING, LECTURING.
11. INTERPRETING, ANALYZING, DIAGNOSING.
12. ADDING NEW INFORMATION.
13. CHANGING THE SUBJECT.
14. INTERRUPTING.
15. TRYING TO CHANGE FEELINGS:
 - Manipulating through flattery, praise, agreeing, promising reward.
 - Trying to *make* them feel better.
 - Talking them out of their feelings.
 - Denying the strength of their feelings.
 - Kidding them out of it.
16. REHEARSING. Framing your reply, rebuttal, or any of the above maneuvers in your own head while the other is speaking.

Dear Student:

This week, you will receive training as a Contract Specialist, GS-1102. You will be involved in a hypothetical procurement for a fireworks display, serving as a Contract Specialists for the National Park Service.

You must perform the following contracting by negotiation duties and tasks to procure a fireworks display.

1. Critique the Statement of Work (SOW).
2. Review the Purchase Request (PR).
3. Review the market research for accuracy and thoroughness.
4. Critique evaluation factors and determine the overall weight for each factor.
5. Develop a Source Selection Plan (SSP).
6. Perform a risk analysis.
7. Review proposals for responsiveness.
8. Critique the technical evaluation.
9. Develop a rationale for a prenegotiation position.
10. Identify contingencies.
11. Determine if elements of cost are allowable.
12. Perform a cost analysis.
13. Establish a competitive range.
14. Develop a prenegotiation plan.
15. Conduct negotiations.
16. Make an award decision.
17. Maintain your contract file.

In addition to the above tasks, you will be asked to perform additional work based on situations that aren't related to procuring a fireworks display.

At the completion of this course, you will be given a closed book exam. The exam will contain multiple choice and true/false questions. The test questions are derived from the Text Reference. Performing the classroom exercises will help you understand the materials in the Text Reference and prepare you for the test. You should not assume you can pass the test without participating in class and completing the reading assignments. Certificates will be provided to students who have attended class, participated in the class exercises, and passed the closed book exam.

Now, let's begin the Contracting by Negotiations Course by completing your reading of Chapter 1- Procurement Planning Review. In addition, answer the true/false questions located on page CE 1-2 of this book.

Review Game Rules

During this week you will participate in two reviews, Wednesday and Friday morning. The review is set up as a game that combines fun and learning. Following is a list of rules for the review game:

- 20 Questions for each review game.
- The review is closed book.
- A question may be passed with no penalty. If a question is passed, another group may “steal” the question.
- Correct Answer = 20 points.
- Incorrect Answer = -10 points.
- Correct Steal = 10 points.
- Incorrect Steal = -10 points.
- The group with the most points at the end of the game wins.
- The instructor is the final judge on acceptable/unacceptable answers.

Lesson Plan

CHAPTER 1 - PROCUREMENT PLANNING REVIEW

[illegible]

PROCUREMENT PLANNING REVIEW

TABLE OF CONTENTS

Procurement Planning Review True/False Questions	1-2
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Procurement Planning Review True/False Questions

Carefully read each statement and answer True or False. Correct false answers.

- ___ 1. Reviewing the Purchase Request (PR), conducting market research, and reviewing the Statement of Work (SOW) are major steps in procurement planning.
- ___ 2. A Purchase Request (PR) is a means of communicating what has to be acquired through contracting to the Contract Specialist.
- ___ 3. Market Research is used to promote the Government policy on full and open competition.
- ___ 4. The Statement of Work (SOW) is written by the Contract Specialist and reviewed by the Requiring Activity.
- ___ 5. A service contract directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task.
- ___ 6. An agency shall not award personal services contracts unless specifically authorized by statute to do so.
- ___ 7. Price or cost to the Government is sometimes included as an evaluation factor in certain types of contract actions.
- ___ 8. Contract actions always provide for full and open competition.
- ___ 9. If a Contracting Officer uses a sole source justification he/she must justify the use in writing, certify the accuracy, and obtain the necessary approval.

Procurement Planning Review True/False Questions

- _____ 10. The 4 methods of obtaining a requirement are sealed bidding, contracting by negotiation, sole source, and source selection.

- _____ 11. The major difference between sealed bidding and negotiated procurement is the opportunity to conduct written and oral discussions during negotiated procurement.

- _____ 12. The most important step to conducting negotiated procurements is the need for planning by contracting and Requiring Activity personnel.

- _____ 13. The procurement plans, as discussed in the Text Reference, are prepared by the Requiring Activity and generally milestones.

Lesson Plan

CHAPTER 2 - STATEMENT OF WORK

TIME	TOPIC	OBJECTIVES
Monday 9:30 - 9:35	Introduction to Statement of Work (SOW)	<ul style="list-style-type: none">• Define the term Statement of Work (SOW).• Recognize the purpose of a SOW.• Recall the Contract Specialist's role in completing an accurate SOW.
Monday 9:35 - 10:15	Market Research	<ul style="list-style-type: none">• Research acquisition history and markets for similar/same requirements.
Monday 10:15 - 10:30	BREAK	
Monday 10:30 - 12:00	Statement of Work (SOW)	<ul style="list-style-type: none">• Describe the elements that comprise a SOW.• Identify how to critique a SOW.• Critique proposed SOW identifying inadequacies.• Critique related elements of the Purchase Request (PR) from data obtained from acquisition histories and Market Research.• Discuss recommendations with the Requiring Activity and obtain agreement on final SOW changes.
Monday 12:00 - 1:00	LUNCH	
Monday 1:00 - 1:15	Used and Reconditioned Material	<ul style="list-style-type: none">• Determine whether used or reconditioned materials, former government surplus property, or residual inventory would be acceptable in meeting the need.
Monday 1:15 - 1:35	Government's Description of Need	<ul style="list-style-type: none">• Select techniques for testing and improving the Government's description of the need and determining or sparking the private sector's interest in meeting the need• Implement selected techniques for testing and improving the Government's description.
Monday 1:35 - 1:45	Certificates of Cost or Pricing Data	<ul style="list-style-type: none">• Determine whether certified cost or pricing data are required.

CHAPTER 2

STATEMENT OF WORK (SOW)

TABLE OF CONTENTS

Exercise 2-1 Market Report	2-2
Exercise 2-2 Statement of Work	2-6
Exercise 2-3 Purchase Request	2-10
Case Study 2-5 Improving the Description of Need	2-11

View Graphs Used in Chapter 2

- Industry Panel
- Solicit for Information of Planning Purposes
- Presolicitation Notice
- Presolicitation Conference

Exercise 2-1

Market Report Fireworks Display

Review the following market report for the fireworks display and identify any errors or omissions.

I. Background

A fireworks display will be provided in celebration of Independence day.

The Contractor must provide labor, material, and equipment for a presentation of an innovative and attractive aerial fireworks display. The program's objective is to create a spectacular, musical, and continuous-fire aerial display visible to an audience viewing from many vantage points not immediately adjacent to the discharge site. To achieve this, the contractor must include as many high bursting pieces as possible, allowing for appropriate layering and balance of the program with no breaks or gaps in the display.

II. Display

The fireworks display is scheduled to commence at 9:15 pm on July 4, 1993 unless modified in writing by the Contracting Officer's Representative (COR) at the launch/discharge site.

In the event of inclement weather, the display will be rescheduled for July 9, 1993. The decision to postpone the display will be made by the COR.

The contractor will be required to allow time for adjustments to the setup if required. All the mortar tubes shall be setup, fastened together, and any foundation sand in place by 11:00 am on July 4, 1993.

III. Potential Suppliers

The attached mailing list was developed using sources identified in the Thomas Register, Donnelley Procurement Directory.

Other display sources were identified by the following fireworks manufacturers:

Illinois Fireworks Co., Inc.
P.O. Box 792
Danville, IL

Burnett Fireworks, Inc.
3502 - TN Washington St.
Enid, OK

New Jersey Fireworks Mfg. Co.
P.O. Box 118
Vineland, NJ

Vitale Fireworks Manufacturer Co.
P.O. Box 3
New Castle, PA

Ohio Fireworks Manufacturing Company
Rock Hill Place
Bellaire, OH

Elkton Sparkler Co Inc./M/D
P.O. Box F
North East, MD 21901

Exercise 2-1

Market Report Fireworks Display (cont.)

IV. Distinguishing Characteristics

The proposal shall focus on aerial display only; ground displays and set pieces shall not be considered, and no parachute shells of any type shall be allowed. The fireworks display shall include approximately 3,000 - 3,500 individual shells. The suggested numbers of shells are provided as follows. (These are to be regarded as guidelines. Innovation and creativity on the part of the contractor, contributing to the enhancement of the program, is encouraged).

Shell Size	Approx. Number
10" - 12" shells	90 - 100
6" - 8" shells	1800 - 2100
3" - 6" salutes	450 - 530
4" - 5" shells and candles	600 - 700
3" shells - Finale only	60 - 70

V. Market Prices

A telephone survey of prospective offerors revealed prices for a fireworks display ranged from \$62,000 to \$83,000. The prices paid by the National Park Service increased approximately 6% annually for the last three years. July 4 ceremonies were as follows:

July 4, 1989	\$64,000
July 4, 1990	\$68,000
July 4, 1992	\$72,000

The fireworks display to be used this 4th of July will be similar in scope and length of time as the previous years. Therefore, approximately \$76,000 is considered reasonable when compared to current market prices.

VI. Trends in Supply and Demand

Prices appear to be most competitive during the July 4 time period. Unfortunately, this is the peak period and most companies have been booked a year in advance. The source list developed includes all firms that have indicated an interest in responding to the requirement.

The shells have been improved to lower the risk of injury. Qualified operators are required to take a safety course twice annually for which they receive a certificate for successful completion.

VII. Commercial Terms

Most companies manufacture, import, and distribute fireworks and the majority of sales have been on a firm-fixed price basis.

Proper storage of live loads and overall safety in conducting fireworks display must be in accordance with the Fireworks Safety Act of 1988 and the National Fire Protection Association Standard 1123-1982, respectively.

Exercise 2-1

Market Report Fireworks Display (cont.)

Substitutions are not usually made unless approved by the customer at least 30 days prior to the date of the fireworks display. Failure to provide exact brand, size, and quantity of shells as submitted in the final proposal will result in reduction in payment.

Deficiencies greater than 1 percent in the number, quality, and/or sizes of shells furnished usually result in non-payment for said shells at the contract price.

The contractor is responsible for the complete setup and cleanup of the display and supplying all necessary materials. The contractor will furnish qualified operators for setup, launch, and take down and abide by all Federal, state, and local regulations which apply to handling pyrotechnics.

The contractor is responsible for cleanup of the launch/discharge site to include: cleanup of shell fragments, bits of fusing, and any hazardous material; gathering sand from the discharge area into piles for proper removal by the customer.

The customer normally furnishes:

1. Safety fence/rope.
2. Sand (maximum 30 tons; requirements exceeding 30 tons will be the responsibility of the contractor. Provide Contracting Officer's Representative with the amount of sand required the day of the display.).
3. Supplemental site security when live loads are moved on to the firing site.
4. Telephone on site (local service calls only).

VIII. Concerns about Quality

The improved shells are being used by all vendors in accordance with the Fireworks Safety Act of 1988. There are fewer accidents at the larger controlled fireworks displays since the passage of this law. However, 95% of fireworks related accidents over the past five years happened to inexperienced individuals (children and unqualified, untrained adult consumers). Qualified operators are essential in this business; therefore, companies have a responsibility to provide adequate training programs and are required by law to provide safety training courses.

The shells are tested by a performance detector sensor. The shells that do not meet the minimum performance standard are disposed of in accordance with company policy.

IX. Acquisition History

See Section V, Market Prices, of this report.

Exercise 2-1
Market Report Fireworks Display (cont.)

Fireworks Source List

Illinois Fireworks Co., Inc.
P.O. Box 792
Danville, IL

Burnett Fireworks, Inc.
3502 - TN Washington St.
Enid, OK

New Jersey Fireworks Mfg. Co.
P.O. Box 118
Vineland, NJ

Vitale Fireworks Manufacturer Co.
P.O. Box 3
New Castle, PA

Ohio Fireworks Manufacturing Company
Rock Hill Place
Bellaire, OH

Elkton Sparkler Co Inc./M/D
P.O. Box F
North East, MD 21901

Exercise 2-2

Statement of Work

Review the following SOW for the fireworks display and identify any errors or omissions and any examples of poor, unclear writing or organization.

PART 1: SCOPE/OBJECTIVE

1.1 Scope of Work

Provide labor, material, and equipment for a presentation of an innovative and attractive aerial fireworks display.

1.2 Objective

The program objective shall be to create a spectacular, continuous-fire, aerial display visible to an audience viewing from many area vantage points not immediately adjacent to the discharge site.

PART 2: CONTRACTOR TASKS

To achieve this objective, the contractor is urged to include as many high bursting pieces as possible, allowing for appropriate layering and balance of the overall program with no perceptible breaks or gaps in the display. The following general parameters are provided for accomplishment of the objective.

- 2.1 Length of Display:** 30 - 35 minutes of continuous firing.
- 2.2 Music:** Music/narration tape shall be provided by the contractor and shall be of an upbeat and patriotic theme.
- 2.3 Fireworks:** Total display shall include approximately 3,000 - 3,500 individual shells. Suggested numbers of shells are provided as follows. These are to be regarded as guidelines, however, innovation and creativity on the part of the contractor, contributing to the enhancement of the program, is encouraged. The proposal shall focus on aerial display only; ground displays and set pieces shall not be considered, and no parachute shells of any type shall be allowed.

Shell Size	Approx. Number
10" - 12" shells	90 - 100
6" - 8" shells	1800 - 2100
3" - 6" salutes	450 - 530
4" - 5" shells and candles	600 - 700
3" shells - Finale only	60 - 70

Exercise 2-2
Statement of Work (cont.)

- 2.4 The shells shall be distributed within the following segments:
- Opening: The first 1 1/2 - 2 minutes will be televised live so the opening shall include a selection of showy, high-bursting pieces.
- Approximately 10 minutes in length.
- Body: It is recommended that the body of the program contain approximately 2000 individual pieces.
- Approximately 25 minutes in length.
- Finale: Since the final impression is generally the lasting impression in a fireworks program, it is recommended that the offeror place a good deal of emphasis on the final portion of the program.
- Approximately 10 minutes in length.
- 2.5 Setup, Cleanup and Take Down.
1. The contractor shall be responsible for the complete installation and cleanup of the display and supplying all necessary materials in connection therewith except as provided for under Paragraph 7 Government-Furnished Items.
 2. The contractor shall furnish qualified operators for setup, launch, and takedown and abide by all Federal, state, local, and National Park Service regulations which apply to handling pyrotechnics.
 3. The contractor shall be responsible for cleanup of the safety zone to include: cleanup of shell fragments, bits of fusing, and any hazardous material; gathering sand from the discharge area into piles for removal by National Park Service personnel; gathering any other trash and debris generated by the contractor's personnel in appropriate trash containers.
- 2.6 The contractor shall provide necessary safety equipment/material, transportation, and security for fireworks and launch site. Fire extinguishers shall be available when any live loads are on-site. Numbers of fire extinguishers shall be adequate to the size of the display.
- 2.7 The fireworks display is scheduled to commence at 9:15 pm unless modified in writing by the Contracting Officer's Representative. The exact firing command shall be given by the Contracting Officer's Representative at the launch site.
- 2.8 In the event of inclement weather, the display will be rescheduled. The decision to postpone displays will be made by the Contracting Officer's Representative.

Exercise 2-2
Statement of Work (cont.)

- 2.9 The contractor shall provide a cassette tape of the proposed musical program and it shall be submitted for approval to the Contracting Officer no later than 30 days before the scheduled date. It shall be of an upbeat and patriotic theme. The final program shall be of radio broadcast quality on reel to reel 7 1/2 or 15 ips.
- 2.10 The contractor shall provide a Performance Bond to the Contracting Officer equal to 100% of the contract price.
- 2.11 Live loads shall not be brought into the park until two days before the display. Upon entering the park, vehicle operators will be responsible for the safety of the fireworks and all related equipment, remaining with the vehicle(s) at all times. Supplemental site security provided by the National Park Service shall not relieve the contractor of this responsibility. The number of vehicles allowed on site will be kept to a minimum.
- 2.12 Government-Furnished Items.
1. Safety fence/rope.
 2. Sand (maximum 30 tons; requirements exceeding 30 tons will be the responsibility of the contractor. Provide the Contracting Officer's Representative with the amount of sand required the day of the display).
 3. Supplemental site security when live loads are moved on to the firing site.
 4. Telephone on site (local service calls only).

PART 3: CONTRACT END ITEMS

- 3.1 Substitutions shall not be made after award of the contract unless approved by the Contracting Officer 30 days prior to the day of the fireworks display. Failure to provide the exact brand, size, and quantity of shells as submitted in the final proposal will result in a reduction of payment.
- 3.2 SP-5 SHELL FAILURE RATE: The Government will not allow a shell failure rate exceeding 1/2 of 1 percent. Deductions will be made at the contract price for any shell failures in excess of this allowance.
- 3.3 SP-6 TIME FOR COMPLETION OF PHYSICAL SETUP: To allow time for adjustments to the setup if required, all the mortar tubes shall be setup, fastened together and any foundation sand in place by 11:00 am.
- 3.4 SP-7 TIME FOR FULL COMPLETION: The entire display shall be loaded, fused, covered, and ready to shoot by 4:00 pm on the day of the scheduled event. A comprehensive inventory and inspection will be performed at that time.
- 3.5 SP-8 POST PERFORMANCE CONFERENCE: The Contractor or his representative shall be available immediately following the conclusion of the display or the next morning for a preliminary discussion or debriefing.

Exercise 2-2
Statement of Work (cont.)

- 3.6 Contract Administration: A Contracting Officer's Representative (COR) will be assigned within 10 days after the contract is awarded. The contractor will receive notification identifying the representative's name title, location, telephone number, and what the COR is authorized to do. At a minimum, the COR will be responsible for inspection and acceptance of the fireworks display.

Exercise 2-3 Purchase Request

Review the following Purchase Request (PR) for the fireworks display. Compare it to the Statement of Work and Market Report and identify any errors.

FOR EQUIPMENT, SUPPLIES, OR SERVICE REQUISITIONS						1. PAGE OF PAGES	
2. REQUISITION NUMBER F34594		3. STOCKROOM CONTROL NO.		4. STOCKROOM CODE NO.		5. DATE PREPARED OCT. 10, 1992	
6. JOB NUMBER							
7. TO (Stockroom - name and location) Director of Contracting Federal Dept. of Administration Services 552 Landing Blvd. Washington, DC 20002				8. FROM (Requisitioning point - name and location) Forest Hill Federal Management Office Headquarters, Office of Parks & Recreation 2426 Carnation St. Washington, DC 20400			
9. ALLOTMENT AND EXPENSE ACCOUNTS CHARGEABLE				10. SIGNATURE OF APPROVING OFFICER			
11. FOR INFORMATION CALL (name, telephone number, and extension) Harvey Bloomfield (202) 555-1212 Ext. 143				12. TITLE OF APPROVING OFFICER			
FORM OR STOCK NUMBER (13)	DESCRIPTION OF ARTICLES OR SERVICES	QUANTITY (15)	UNIT (16)	UNIT PRICE (17)	AMOUNT (18)		QUANTITY RECEIVED (19)
0001	Fireworks display for the Fourth of July Celebration	1	ea	65,000	65,000	00	
20. DELIVER TO (Give complete address, including ZIP code) Director of Contracting 3567 Bridgefield Rd. Washington, DC 20036 Attn: L. Neilson Phone: (202) 246-2311		TOTAL AMOUNT ----->			65,000	00	
					21. SHIPPED VIA FREIGHT PARCEL POST EXPRESS MAIL		
22. FILLED BY		23. PACKED BY		24. CHECKED BY			
25. THE ABOVE ITEMS OR SERVICES WERE RECEIVED EXCEPT AS INDICATED AS ABOVE.							
SIGNATURE		TITLE			DATE		
NOTE: Acquisition of non-expendable items are to be fully justified on face of requisition.							

Case Study 2-5

Techniques for Improving the Description of Need

Read the following 4 case studies and determine which technique for improving the Government's description of need is best. Use the information in your Text Reference on pages 2-18 (Exhibit 2-11) through 2-22. Justify your answer.

1. The Office of Management and Budget (OMB) has a need to reduce the number of payroll systems that it uses. Because they don't have enough information to solicit at this time the project start up date has been delayed for months. Which technique for improving the description of need should they use?

2. The Department of the Interior is interested in building a text retrieval database to handle their data storage. They have reviewed off-the-shelf software and found what exists to be lacking for their specifications. The Department is looking for a way to determine if any contractors would be interested in developing the retrieval system. How will they gather the names and qualifications of potential bidders list?

3. The Bureau of Mines collects data on the production and use of minerals worldwide. The data is collected by telephone and mail from governments and commercial firms. The Bureau would like to consider a better method of data collection. How should they refine their requirement?

4. The Army needs to renovate a warehouse facility and wants to take advantage of the newest technology available. How would they go about gathering this information and defining the specifications to potential contractors?

Lesson Plan

CHAPTER 3 - TECHNICAL EVALUATION & SOURCE SELECTION PLAN

TIME	TOPIC	OBJECTIVES
Monday 1:45 - 1:50	Introduction to Technical Evaluation	<ul style="list-style-type: none">• Define the term Technical Evaluation.• Identify the purpose of the Technical Evaluation.
Monday 1:50 - 2:50	Technical Evaluation	<ul style="list-style-type: none">• Research factors used for comparable procurements• Determine whether award will be based on “lower price” or “greater value.”• Critique factors for ranking proposals.• Critique factors for determining acceptability.• Obtain agreement on the factors.• Incorporate factors in the solicitation.
Monday 2:50 - 3:05	BREAK	
Monday 3:05 - 3:10	Introduction to Source Selection Plans	<ul style="list-style-type: none">• Define the term Source Selection Plan.• Identify the purpose of a Source Selection Plan.• Describe the purpose for guide lines with a Source Selection Plan.
Monday 3:10 - 4:00	Source Selection Plans	<ul style="list-style-type: none">• Determine overall weight for technical and business management factors versus price.• Prepare Source Selection Plan for formal Source Selection.

CHAPTER 3

TECHNICAL EVALUATION & SOURCE SELECTION PLAN

TABLE OF CONTENTS

Case Study 3-1 Lowest Price or Greatest Value	3-2
Checklist for Critiquing Evaluation Factors	3-3
Exercise 3-2 Critiquing Evaluation Factors	3-4
Exercise 3-3 Weighing Evaluation Factors	3-5
Exercise 3-4 Source Selection Plan	3-6
View Graphs Used in Chapter 3	
Source Selection Plan	
Source Selection Authority	

Case Study 3-1

Lowest Price or Greatest Value

Read the following 4 case studies and determine if the contract should be awarded based on lowest price or greatest value. Justify your answer.

1. The State Department is looking for an agency to provide them with standard mailroom services. It can be assumed that the contractors are responsible and need to make only a few judgment calls. How should this contract be awarded?

2. The Research and Development department of Montgomery County wants to develop a new timer system for the street lights. They are seeking a contractor to provide a solution and develop the timer system. How should this contract be awarded?

3. Prince George's County is looking for financial advice on the timing and structure on Municipal Bonds. The quality of the advice is critical. How should this contract be awarded?

4. The Forest Hill Federal Management Office is looking for a company to provide a fireworks display on the 4th of July. The display is approximately 30 minutes and the quality of the display is the most important factor. How should this contract be awarded?

Checklist for Critiquing Evaluation Factors

Factors	Yes	No
<ol style="list-style-type: none"> 1. Are the evaluation factors written independently of one another? 2. Are the evaluation factors written so that competent individuals can evaluate the same proposal consistently? 3. Are the evaluation factors predictive of an ability to perform the work? 4. Have the evaluation factors worked well in like procurements? 5. If special experience or facilities are a requirement for the service or product, are they clearly stated? 6. Are quality factors clearly disclosed in the Request for Proposal (RFP)? 7. Do the evaluation factors relate to the objectives of the procurement? 8. Do the evaluation factors address the quality of the proposal through: <ul style="list-style-type: none"> • technical excellence • management capability • personnel qualifications • prior experience • past performance • schedule compliance • cost 9. Can the evaluation factors be used to determine the acceptability of the offeror's technical? 		

Exercise 3-2

Critiquing Evaluation Factors

Review the following evaluation factors for the fireworks procurement and improve upon them. Be sure to note errors and omissions. Note: The improved factors will be used in later exercises.

EVALUATION FACTORS

- 1.1 Overall quality of the proposed program: The offeror must demonstrate that he understands what is required and has developed a sound approach in achieving the program objective as shown by the technical proposal including:
 - quality
 - quantity
 - variety of shells
- 1.2 Quality: The offeror must demonstrate his ability to understand and use the necessary material to achieve the program objective.
- 1.3 Creativity: The offeror must demonstrate innovativeness, audience appeal, and unusual visual effects in his program. The offeror must demonstrate how well the proposal meets the program objective in terms of:
 - sufficient diversity
 - appropriateness of shells
 - combinations
 - overall effect
- 1.4 Qualifications: The offeror must demonstrate he has the professional experience, background, and record of past accomplishments of all personnel assigned to this project. Offeror must also demonstrate the experience and management capabilities needed to carry out a nationally televised showing.
- 1.5 Qualifications: The offeror must possess the necessary safety features required for a fireworks display of this size and nature.

Exercise 3-3

Weighing Evaluation Factors

Using the Statement of Work, your revised Evaluation Factors (Exercise 3-2), and the Text Reference (pages 3-21 to 3-23) determine an overall weight for evaluation factors for the fireworks procurement. Justify your answer. Assume a total of 100 points.

Exercise 3-4
Source Selection Plan

Based on the information you have been provided (SOW, Market Report, PR, and Technical Evaluation Factors from exercises previous) develop a Source Selection Plan (SSP) for the fireworks display. Use the following space to develop your SSP.

Lesson Plan

CHAPTER 4 - CONTRACT TYPES

TIME	TOPIC	OBJECTIVES
Tuesday 8:00 - 8:05	Introduction to Contract Types	<ul style="list-style-type: none">• Recall the policy for selecting a contract type.• Identify the purpose of selecting a contract type.• Recognize the Contract Specialist's role in selecting a contract.
Tuesday 8:05 - 8:35	Steps in Selecting a Contract Type	<ul style="list-style-type: none">• Determine if data from market research supports use of a firm-fixed price contract.• Perform risk analysis.• Estimate the impact of the high potential high risk cost factors on the overall total cost of performance and profit margins.
Tuesday 8:35 - 9:00	Contract Types	<ul style="list-style-type: none">• Recall the various contract types.• For fixed-price contracts, select a method of ordering.• For fixed-price contracts, select a pricing arrangement.• For cost-reimbursement contracts, select a fee arrangement.
Tuesday 9:00 - 10:00	Selecting a Contract Type	<ul style="list-style-type: none">• Select one of the basic types of contracts or agreements.• Document rationale for the selected type of contract and draft any necessary determination and findings.
Tuesday 10:00 - 10:15	BREAK	

CHAPTER 4

CONTRACT TYPES

TABLE OF CONTENTS

Exercise 4 -1 Risk Analysis 4-2

Case Study 4 - 2 Contract Selection 4-3

View Graphs Used in Chapter 4

Selecting a Contract Type
Steps to Risk Analysis
Types of Contracts
Profile of Contract Risk

Exercise 4-1
Risk Analysis

Review the fireworks procurement Statement of Work, Purchase Request, and the Market Report. Based on this information and Exhibit 4-1, “Risk Analysis,” in the Text Reference determine who should take the greatest risk for the fireworks procurement and list the risk factors. Justify your answer.

Case Study 4-2 Contract Selection

Read the following 3 case studies and select the best type of contract for each one. Justify your answer.

1. In November you received a requirement for an integrated system from a single source that involves both hardware and software.
 - Your market survey shows that the hardware is available off-the-shelf, but the software must be developed from scratch.
 - The Deputy Director is watching this procurement action directly because of the importance to meet the anticipated increase in demand for real time data is critical.
 - Few contractors have completed this type of work and it's difficult to fully define all requirements because of time constraints and the location of the users.
 - The number of workstations will be implemented gradually over time. At best you can estimate the user population to be somewhere between 25 and 180 users depending on several variables that won't be defined until September.
 - You have been directed to have a prototype available April 1st and initial implementation completed by August.

What type of contract will you choose and why?

Case Study 4-2

Contract Selection

2. Washington has been experiencing increased snowfall over the last few years, much of which has been difficult to predict due to strange and deceiving weather patterns. The headquarters compound must stay “open and drivable” at all times. You have defined three types of road surface priority areas:

- Priority A: The roads must be drivable at all times.
- Priority B: The roads must be drivable within 2 hours after the first snow fall.
- Priority C: The roads must be drivable within 12 hours of the first snowfall.

The market is very competitive, yet the Washington area does not possess a great deal of snow removal equipment. If possible, roads need to be cleared even earlier. What type of contract will you choose and why?

Case Study 4-2

Contract Selection

3. Political turmoil appears to be increasing in Cuba. There is evidence of increased production from factories and public utility output appears to be on the rise. Your office has decided that it is important to update current intelligence on this country.

Because of increased concern you want to maximize your data as soon as possible, however, this was not factored into the budget and money is scarce.

- You must hire researchers to write papers in each of the areas listed above.
- They must be highly detailed, specific, and their accuracy must be guaranteed. All papers must be complete by August.
- Factory production and utility output are relatively easy to determine and analyze. Political unrest is somewhat more difficult.

There are several researchers who you know to be experts in each topic area. You are ending another project and will have some free time available to monitor performance and work directly with the researchers. What type of contract will you choose for each of the three papers and why?

Lesson Plan

CHAPTER 5 - GFP, BONDS, RFP's

[illegible]

CHAPTER 5

GFP, BONDS, RFP'S

TABLE OF CONTENTS

Case Study 5 -1 Methods of Solicitation	5-2
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View Graphs Used in Chapter 5

Uniform Contract Format (UCF)

Case Study 5-1

Methods of Solicitation

Read the following 5 case studies and determine which method of solicitation would be the best for completing the job. Justify your answer.

1. Heather Simpson from the Department of Foreign Services needs to develop an 8 hour interactive computer based training program. This program will educate foreign immigrants on the proper procedures for operating an automobile in the United States. It has been determined that a contractor will develop the program and due to the nature of this project, Heather can be assured that the training program will exceed \$25,000. Which method of solicitation should Heather use?

2. Blaire Hilty works for the St. Johns territory in the Virgin Islands. A hurricane has destroyed the island's generator, leaving them without water or electrical power. It has been determined that it is impossible to repair the generator, therefore it must be replaced. What method of solicitation should Blaire use to obtain a new generator?

3. Kyle Henderson is in charge of an isolated community 20 miles SE of Anchorage, Alaska. He must arrange for emergency transportation and mail services to and from the community. He has little information pertaining to cost and availability. To obtain these services, Kyle is considering different options which include using a helicopter, a dog sled, or a single engine plane. Which method of solicitation should Kyle use?

4. The Department of Commerce needs to improve their method of communication, worldwide. They must have a system that allows them to instantaneously transmit and receive real time data from anywhere in the world from a central location. The Department is looking into the possibility of using a satellite, fiber optics, or using an existing system. Which method of solicitation should the Department of Commerce use?

Case Study 5-1
Methods of Solicitation

5. A volcano has erupted in Mexico followed by earthquakes registering 6.3 on the Richter scale. They are in need of emergency medical attention, medical supplies, water, and food. Based on your past experience providing aid in disaster situations, you know that this solicitation will be quite expensive. Which method of solicitation should you use?

Lesson Plan

CHAPTER 7 - PRE-PROPOSAL CONFERENCES & AMENDING/CANCELING RFP's

TIME	TOPIC	OBJECTIVES
Tuesday 11:00 - 11:05	Introduction to a Pre-Proposal Conference	<ul style="list-style-type: none">• Define the term pre-proposal conference.• Identify the purpose of a pre-proposal conference.
Tuesday 11:05 - 12:00	Pre-Proposal Conference	<ul style="list-style-type: none">• Determine the need for a pre-proposal conference.• Develop agenda and invite attendees.• Brief technical personnel• Prepare opening briefing for the conference.
Tuesday 12:00 - 1:00	LUNCH	
Tuesday 1:00 - 1:20	Pre-Proposal Conference (Cont.)	<ul style="list-style-type: none">• Conduct and record the conference.
Tuesday 1:20 - 1:25	Introduction to Canceling/Amending RFPs	<ul style="list-style-type: none">• Recall the importance of an accurate RFP.• Identify when an RFP needs to be amended.
Tuesday 1:25 - 1:35	Amending/Canceling RFPs	<ul style="list-style-type: none">• Prepare and issue an amendment to the solicitation.

CHAPTER 7

**PRE-PROPOSAL CONFERENCES & AMENDING/CANCELLING
RFP'S**

TABLE OF CONTENTS

Case Study 7-1 Pre-Proposal Conference	7-2
Case Study 7-2 Role-Play “Pre-Proposal Conference”	7-3

Case Study 7-1 Pre-proposal Conference

You must develop an agenda for a pre-proposal conference; you must also assume the role of the contractors and develop questions for the Department of the Interior.

There will be two companies participating in the conference: Kelly Engineering and Creative Solutions, Inc.

Be prepared to participate in a simulated pre-proposal conference in class.

The Situation

The Department of the Interior is buying new equipment for an underground coal mining demonstration. The equipment was designed and developed in Europe and the Department of the Interior is trying to introduce the new equipment to the United States. It is difficult to describe the equipment and the technique for using it in a Statement of Work (SOW) or the Request for Proposal (RFP). In addition, the equipment specifications and technique for using it varies from site to site. In most cases the equipment must be specifically tailored to each site.

It has been recommended that the Department of the Interior conduct a pre-proposal conference. This conference will describe the specific site and the technique for using the equipment. In addition, it would allow the contractors to see the actual mining site which will give them a better idea of the contract's specifications.

Case Study 7-2

Role-Play “Pre-Proposal Conference”

Andy Stevens - the Contract Specialist. Andy is a very professional person who likes to do everything by the book and doesn't like to make mistakes. Andy has been around for years and a Pre-Proposal Conference is just another day on the job.

Francis Jobs - the Requiring Activity (Program Manager) for the Department of the Interior. Francis is new to the job and has never participated in a Pre-Proposal Conference. Francis is an intelligent person who is a quick learner, however the newness to the job has a tendency to make him/her nervous.

Kelly Thomas - a representative from Kelly Engineering. Kelly has been in the business of designing and developing coal mining equipment for years. In fact, Kelly was one of the people who helped developed the old equipment and is skeptical when it comes to believing that the new European equipment can do the job as well.

Pat Clawson - a representative from Creative Solutions, Inc. (CSI). Pat is a senior member of the CSI team, very inquisitive by nature, and has trouble staying focused on the issue at hand. In addition, Pat is a very intelligent person who is well informed on a wide variety of topics and enjoys sharing this information.

Terry Rivers - a representative from Creative Solutions, Inc. (CSI). Terry is a junior member of the CSI team, very creative, enthusiastic, and a reliable person.

Problem: The Department of the Interior wants to introduce European coal mining equipment. The equipment and conditions are difficult to describe and the equipment must be specifically tailored to each site. The Department of the Interior must provide the potential contractors with the needed information for them to understand the contract enough to write a proposal.

Action: Using the Agenda and questions developed earlier in Exercise 7-1, participate in a Pre-Proposal Conference. Andy must conduct the conference and keep everybody on track. Francis will provide the technical expertise and Kelly, Pat, and Terry must question Andy on the conditions, technique, and accuracy of the equipment.

Lesson Plan

CHAPTER 8 - PROCESSING PROPOSALS & TECHNICAL EVALUATIONS

TIME	TOPIC	OBJECTIVES
Tuesday 1:35 - 1:40	Introduction to Processing Proposals	<ul style="list-style-type: none">Recall the purpose for processing proposals.Identify the Contract Specialist's role in processing proposals.
Tuesday 1:40 - 3:00	Processing Proposals	<ul style="list-style-type: none">Receive, open and record proposals.Safeguard proposals against unauthorized disclosure.Review proposal for completeness and identify variances from the RFP's terms and conditions.Reject proposals that cannot be made responsive.Designate individuals to review proposals and request their assistance.
Tuesday 3:00 - 3:15	BREAK	
Tuesday 3:15 - 3:20	Introduction to Reviewing Technical Evaluations	<ul style="list-style-type: none">Define the term technical evaluation.Identify the purpose of a technical evaluation.
Tuesday 3:20 - 4:00	Reviewing Technical Evaluations	<ul style="list-style-type: none">Instruct technical evaluators.Obtain and review the technical evaluation report.Brief the source selection evaluation board.Obtain technical rankings and supporting documentation for proposals.

CHAPTER 8

PROCESSING PROPOSALS & TECHNICAL EVALUATIONS

TABLE OF CONTENTS

Exercise 8-1 Responsiveness 8-2

Exercise 8-2 Technical Evaluation 8-3

View Graphs Used in Chapter 8

Checklist to Ensure a Proposal is Complete
Instructing Technical Evaluators

Exercise 8-1

Responsiveness

The following 5 proposals (cost and technical) were submitted in response to the fireworks display RFP. Read each proposal and review them for responsiveness to the SOW that was corrected in Exercise 2-2 on page CE 2-6. Use the space below to list the areas that aren't responsive. This list will be used during discussions.

Exercise 8-2 Technical Evaluation

Review the following memorandum. Use your knowledge of the proposals and the Text Reference (page 8-17) to determine the accuracy of this review. Make notes on any errors.

Memorandum

To: Contract Specialist
From: Chairman, Technical Evaluation Committee
Subject: Technical Review, Fireworks Solicitation

Technical review of the subject, Fireworks Solicitation, has been completed by the five (5) appointed committee members. Discussions of this review were held in Washington, DC by Chris Lewis, Alex Thompson, Steve Miller, Sara Conners, and myself and mutual agreement of numerical ratings was reached. Enclosed is a brief summary of the evaluations for each proposer and a standardization of technical evaluation scores.

The consensus of numerical rankings of each proposer is as follows:

<u>Firm</u>	<u>Score</u>
Illinois Fireworks Co, Inc.	91
Elkton Sparkler Co, Inc.	66
Ohio Fireworks Manufacturing Co.	72
Vitale Fireworks Manufacturer Co.	79
Burnett Fireworks, Inc.	41

It is the consensus of the five (5) committee members that Elkton Sparkler Co, Inc., Ohio Fireworks Manufacturing Co., Vitale Fireworks Manufacturer Co. should be invited separately to a technical clarification session.

Below is a brief summary of the evaluations for each proposer in the order they were listed above.

Illinois Fireworks Co, Inc.

This proposal fails to address a number of specifications of the SOW. Although Illinois provides the required number of shells, they do not provide for a wide variety of shells. The video of the proposed program was less than impressive, lacking the variety and visual effects required. The provisions for cleanup are omitted entirely. Illinois has been in business for fourteen years, however their qualified operators have only satisfactory levels of experience.

Exercise 8-2

Technical Evaluation

Elkton Sparkler Co, Inc.

Elkton's proposal described a well rounded visual program. Elkton Sparkler Company is fairly new to the industry and experience is of concern. It is not known if Elkton has ever produced a program of this magnitude. The proposed finale was also not as effective as hoped for. Elkton's proposal complies with the specifications of the SOW for providing setup and cleanup.

Ohio Fireworks Manufacturing Co.

Ohio Fireworks provided a well organized and detailed proposal that reflects a solid understanding of the requirement. They propose a visually effective program and earned high marks for the finale. Ohio rated highly in professional experience with an impressive background in national programs. Ohio Fireworks has been a family owned business for twenty five years. They have provided a subcontracting plan for cleanup.

Vitale Fireworks Manufacturer Co.

Vitale's proposal demonstrates a clear understanding of the program objective. The number and distribution of shells meets the requirement. Vitale proposes a very attractive display and the musical program is highly rated. Vitale has qualified operators with ten years experience in the field. The offeror also has experience with televised displays. Vitale proposes to subcontract the cleanup and there are some deficiencies that must be resolved in this area. There are also concerns regarding Vitale's direct labor estimates.

Burnett Fireworks, Inc.

This proposal is well written and provides a detailed description of their program. Burnett has an impressive reputation in the industry and is known for their spectacular special effects. Burnett intends to use a relatively new "sparkler shell" for the July 4th program, however, the new type of shell is untested and is not guaranteed to perform as expected. Burnett clearly meets the specifications of the SOW for number and distribution of shells. The provisions for setup and cleanup are also satisfactory.

Technical Proposal for July 4th Fireworks Display

Submitted By:

Vitale Fireworks Manufacturer Company
P.O. Box 3
New Castle, PA 22777

Submitted To:

Forest Hill Federal Management Office
Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Vitale Fireworks Manufacturer Company

Objective

Vitale is committed to providing its clients with a quality product. To that end, our design specialists are always looking for new and improved technologies. We feel that the program we have proposed will more than meet your requirements. Vitale will provide a continuous display lasting approximately 40 minutes. The program consists of 3,500 high bursting shells that will be visible from all vantage points for a radius of approximately five miles. Vitale's display will offer the variety and special effects that guarantee an effective and dramatic show.

Background and Qualifications

Vitale Fireworks Manufacturer Co. was established in 1978 and has been a leader in the industry ever since. Our portfolio includes performances for the opening of theme parks and supermarkets. Vitale has been contracted for the Fourth of July fireworks display at Caesar's Palace in Las Vegas, Nevada for the last nine years. Vitale also supplied the televised fireworks display for the Fourth of July re-dedication of the Statue of Liberty in New York, in 1984 and so has the experience necessary for putting together a nationally televised display.

Each of our senior operators has been with us for a minimum of ten years. The senior operators also act as quality control inspectors and in ten years have acquired an excellent track record of satisfied customers (a reference list is available upon request). Vitale also maintains a record of safety that sets standards for others in the industry.

Vitale's artistic flair will be evident when you view the enclosed video tape of past performances. Our design specialist team is headed by Gordon Vidal, known in the theater world as one of the foremost set and lighting designers. His artistic background adds the dramatic effect that our clients desire in fireworks displays.

Technical Approach

The management of Vitale Fireworks Manufacturing Co. is committed to an approach that stresses quality in every phase of a project. The number of shells we propose to use for the Fourth of July is a result of that quality approach. We base the number on the expectation that the audience should never find the program lacking in any way. Vitale will provide an exciting opening lasting approximately 7 minutes during which a series of high bursting pieces will definitely grab the attention of the audience. The middle section of the display is designed so that anticipation is building until the finale. The finale consists of approximately 12 minutes of continuous entertainment. We fully believe that our display will leave the audience wanting more.

Musical Program

You will find that the musical program proposed by Vitale is of excellent quality. Our design specialists spend a great deal of time researching suitable musical programs. The patriotic musical theme that we propose has been tested at previous events and has never failed to produce an emotional and exuberant response.

Vitale Fireworks Manufacturer Company

Staffing

Vitale proposes a firing staff of three assistants and two senior operators. We have found that the additional personnel is warranted in light of safety concerns. Our staff will require overnight lodging and has no exceptions to meeting the time schedule stated in the RFP.

Setup and Cleanup

Our qualified operators will be available for setup and assembly on the day of the event. Setup should be completed by 2:00 PM on that day. It is requested that the Government provide the contractor with a telephone hook-up. All other materials will be provided by Vitale. We have subcontracted with a local minority-owned company to perform the cleanup the following morning. The subcontracting plan is available for your review.

Cost Proposal for July 4th Fireworks Display

Submitted By:

Vitale Fireworks Manufacturer Company

P.O. Box 3

New Castle, PA 22777

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation

2426 Carnation St., NW

Washington, DC 20400

Vitale Fireworks Manufacturer Company

Cost Proposal for Fourth of July Fireworks Display Firm-Fixed Price Contract

Direct Labor Costs

Program Design	Two senior level designers	8 hours @ \$30/hr	\$ 480
Firing Staff	Two senior level operators	24 hours @ \$25/hr	\$ 1,200
	Three assistants	24 hours @ \$20/hr	\$ 1,440
Inspection Staff	One inspector	3 hours @ \$ 30/hr	<u>\$ 90</u>
Total Direct Labor			\$ 3,210

Estimated Material Costs \$ 40,050

Musical Program \$ 3,000

Travel	Five people for one night	@ \$150/night	\$ 750
	Transportation		\$ 2,000

G & A \$13,290

Profit \$26,700

TOTAL COSTS \$89,000

Technical Proposal for July 4th Fireworks Display

Submitted By:

Burnett Fireworks, Inc.

3502 - TN Washington St.
P.O. Box 1743
Enid, OK

Submitted To:

Forest Hill Federal Management Office
Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Introduction:

Burnett Fireworks, Incorporated thanks the Forest Hill Federal Management Office for the opportunity to submit this proposal for the Fourth of July Fireworks display to be held in our Nation's Capital. Burnett is more than capable of providing an incredible display of light and sound that will delight young and old.

Burnett is a leader in fireworks display and design. Our experienced employees are trained in the latest technologies and perform their duties with unsurpassed attention to quality and detail.

This proposal will provide you with all the information needed to evaluate Burnett for this all important fireworks display.

Objective:

Burnett Fireworks, Inc. proposes a Fourth of July Fireworks Display with the most innovative approach the Government has likely ever seen. We take pride in the fact that we are on the "cutting edge" of new technology in the industry. This contractor will create a highly dramatic, rapid-fire introduction with the mid section of the program consisting of evenly spaced firings. We believe our spectacular finale to be the very best in pyrotechnics. The proposed aerial program includes a total number of 5,000 individual shells designed to provide a continuous display lasting approximately 45 minutes. Burnett believes that we can surpass the Government's expectations in providing an exceptional July Fourth event.

Technical Approach:

Burnett proposes an aerial display of high bursting pieces that comprise a very dramatic and effective fireworks display. We are uniquely qualified to provide the necessary drama for a nationally televised performance. Burnett specializes in a variety of new and innovative fireworks shells. We propose to test run a singularly inventive product called the "Sparkler Shell 2000". The new "Sparkler Shell" has been used only twice before, in Paris and in Hong Kong, and has been highly effective in generating excitement among the audience. We feel certain that it will produce the desired effect in Washington D. C. as well.

The program is planned so that the opening runs 10 minutes and is rapidly paced and exhilarating. The mid section of the program, 20 minutes in length, is quite effective and is intended to build the audience's expectations toward the thrilling 15 minute finish using the "Sparkler Shell 2000". We have provided a taped recording of what we feel is an outstanding musical selection along with a video tape of the proposed program.

Burnett's own people will be available for set up the day before the scheduled program and will complete the clean up by 10 o'clock the following morning. It is our custom to provide our own on site communication system, however an outside telephone line will be required. All other necessary materials will be provided by Burnett. You will find that we have an excellent safety record with over thirty years of incident free performances.

Qualifications and Experience:

Burnett Fireworks, Inc. has been a leader in the pyrotechnic industry for the last thirty years. The company has provided fireworks displays for over 200 city and county governments across the country. In addition, Burnett provides fireworks displays for a number of theme parks both in this country and internationally. For the past five years, Burnett has been involved as a consultant in

the annual Bastille Day celebration in Paris, France.

Our staff of artistic design specialists are highly regarded in the industry. The team is headed by director, Anna Tyler who has twenty-five years of experience. Two other members of the design team have ten years or more experience in design, artistry and visual effects.

All of our operators have successfully completed an Oklahoma State Board Certification and must have two years of experience before they are given a supervisory assignment.

Our Division of Safety and Inspection can claim a perfect, accident-free, thirty years of performances. A complete listing of references is available to you, should you request it.

Cost Proposal for July 4th Fireworks Display

Submitted By:

Burnett Fireworks, Inc.

3502 - TN Washington St.

P.O. Box 1743

Enid, OK

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation

2426 Carnation St., NW

Washington, DC 20400

Cost Proposal - Firm Fixed Price

Direct Labor

One Junior Designer	30 hours @ \$35/hr	\$ 1,050
One Senior Designer	16 hours @ \$45/hr	\$ 720

Firing Team

One Supervisor	24 hours @ \$40/hr	\$ 960
Three Assistants	24 hours @ \$30/hr	<u>\$ 2,160</u>

Total Direct Labor \$ 4,890

Overhead on Direct Labor \$ 3,740

Materials (Estimated) \$ 95,700

Musical Program \$ 3,500

Travel

Four people for three nights @\$200/night	\$ 2,400
Mileage for truck and trailer	<u>\$ 3,160</u>

Total Travel \$ 5,560

Total G & A \$ 16,610

Profit \$ 46,000

Total Cost \$176,000

Proposal For
Fourth of July Celebration

Technical Proposal

Submitted To:

Forest Hill Federal Management Office
Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Illinois Fireworks Co., Inc.
P.O. Box 792
Danville, IL 20525

Introduction

Illinois Fireworks Co., Inc. is pleased to respond with a proposal to the Forest Hill Federal Management Office request for the development and implementation of a Fourth of July fireworks display for the Washington, DC celebration.

Illinois Fireworks Co., Inc. offers a new and innovative design for a spectacular fireworks display to meet all of your requirements. We guarantee efficient, responsive, and highly flexible staff. Our staff consists of six highly qualified designers and a firing team of ten.

This proposal furnishes the Forest Hill Federal Management Office with all the information necessary to determine the qualifications of the Illinois Fireworks Co., Inc. to undertake and successfully complete this effort.

Objective

Illinois Fireworks Co., Inc. will create and produce a spectacular, innovative, and thrilling aerial fireworks display that will be visible from most area vantage points for a distance of four to five miles. The program will be appropriately layered and balanced using approximately 3,200 shells. Three perceptible breaks will be used for dramatic and set-up purposes. The program will run for twenty to twenty-five minutes. No exceptions are taken to any of the requirements of the RFP.

Background and Qualifications

The Illinois Fireworks Co., Inc. is a small business founded in 1978. We began in order to meet the increasing need for the growing business of pyrotechnics. We specialize in providing our clients with a one on one service, thus allowing us to tailor each fireworks display to your specific needs.

We have a design staff that consists of 8 designers, a firing team of 10, and a testing group of 4. Our lead designer, Michelle Thompson, has been with the Illinois Fireworks Co., Inc. for 5 years and has a creative flare to suit all of our client's needs. The test group insures quality of all the shells we purchase to guarantee your satisfaction and decrease the chances of misfiring.

We have been selected to perform the fireworks display in Danville, IL for the last 14 years and in Lakeforest, IL for the last 8 years. We have enclosed a video tape that shows a twenty minute display that was especially tailored for the Lakeforest Fourth of July Celebration in 1992. Finally, we have provided you

with contacts in the Danville and Lakeforest areas should you wish to check references.

Technical Approach

Illinois Fireworks Co., Inc. feels that a fireworks display must be innovative. For that reason, our top designer has developed a specific opening and body to fit the occasion. In addition, an exceptional finale has been organized. The intent is to slowly build the audience up and then burst into the finale. The audience should be on the edge of their seat waiting for the next firework to explode into the sky.

For this Fourth of July Celebration we are proposing a mixture of ground displays, low bursting shells, and high bursting shells for the finale. The fireworks display is organized into three parts which are the opening, body, and finale. There will be a 60 second break following each part. These breaks allow for dramatics and they also provide our firing team with the necessary time to prepare for the next display.

The opening will consist of a ground display of the American Flag and low bursting pieces. This part should last approximately four minutes. Next, the body consists of a mixture of ground displays, low bursting shells, and high bursting shells lasting approximately ten minutes. And lastly, the finale. The finale will use only state of the art shells and be as high bursting as possible. This part of the fireworks display should last approximately 5 minutes.

Our pricing is dependent upon the number of shells used and material costs. Duds are not a problem. We build enough redundancy into the design so that the audience would never know if something failed to fire. Every program is designed for the specific event.

We will provide our own on site office trailer and all necessary firing materials for the performance. The proposed schedule is quite satisfactory, and we take no exception to the other provisions of the RFP.

Proposal For
Fourth of July Celebration

Cost Proposal

Submitted To:

Forest Hill Federal Management Office
Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Illinois Fireworks Co., Inc.
P.O. Box 792
Danville, IL 20525

Cost Proposal - Firm Fixed Price

Direct Labor

Program Design:	senior designer	20hrs at \$40/hr	=	\$ 800
Firing Team:	one supervisor	10hrs at \$25/hr	=	\$ 250
	two assistants	20hrs at \$15/hr	=	\$ 600

Overhead on Direct Labor (150%) = \$ 2,475

Materials = \$42,225

Narration and Music = \$ 3,000

Travel

Three people	three days at \$200/day	=	\$ 1,800
Mileage-truck and office trailer	1,500 miles at \$2/mile	=	\$ 3,000

G&A = \$10,950

Profit = \$13,900

Total Cost = **\$79,000**

Proposal For

Fourth of July Celebration

Technical Proposal

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Ohio Fireworks Manufacturing Company

9241 Rock Hill Place
Bellaire, OH 43565

Introduction

Ohio Fireworks Manufacturing Company is pleased to submit the enclosed proposal for providing a spectacular Fourth of July fireworks display for the Washington, DC celebration.

Ohio Fireworks Manufacturing Company is well qualified to provide this celebration due to our having over 80 years of experience in the pyrotechnics industry.

Ohio Fireworks Manufacturing Company proposes to provide the Forest Hill Federal Management Office with a most invigorating and exciting aerial fireworks display. In addition, the majority of the shells will be manufactured in our own facility. The Fourth of July celebration that we design will meet all of your requirements.

Objective

Ohio Fireworks Manufacturing Company will create and produce a spectacular, continuous-fire aerial fireworks display that will be visible from most area vantage points for a distance of four to five miles under clear weather conditions. The program will be appropriately layered and balanced using approximately 3,000 shells. Two perceptible breaks will be used for dramatic purposes (see the section "Approach") if the Government agrees, otherwise no gaps will be planned. The program will run for thirty four to thirty five minutes. No exceptions are taken to any of the requirements of the RFP.

Background and Qualifications

The Ohio Fireworks Manufacturing Company was founded in 1910 and is the oldest company in the pyrotechnics business in the country. Originally founded to manufacture fireworks for sale for individual use, we soon added the capability to design and build large display pieces. Customer demand required us to add the capability to create and produce dramatic displays for commercial firms, governments, and wealthy individuals. We no longer produce fireworks for individuals, but concentrate all of our attention to producing spectacular display pieces for our own use in fulfilling contracts such as this one, and for sale to other companies who put on displays for governments and commercial firms.

Over eighty percent of the shells that we use are manufactured in our own facility. This gives us a very high degree of quality control. We have two design staffs: one constantly designing new aerial shells and ground displays, the other designing the total display. A special test group insures quality at every step of the manufacturing process. Officers of the firm constantly tour the world looking for new ideas. We are particularly proud of

Ohio Fireworks Manufacturing Company

Dr. Sue Anne Yuan who is in charge of both design groups. We believe her artistry in this field to be unequalled. Our safety engineer, Robert W. Bolan, has a perfect record. No accidents in twenty three years.

We have been selected to perform the fireworks display in Washington, D.C. ten times in the last twenty years, and have had the contract at Disney World since they opened. We feel, however, that our abilities are better shown than discussed. To that end, we have enclosed three video tapes that show a fifteen minute display, a forty five minute display, and our new grand finale (three minutes). We ask that the grand finale be held in the strictest confidence because, although thoroughly tested, it has not been shown in public yet. Finally, our complete customer list is available to you should you wish it for the purpose of checking references.

Approach

Ohio Fireworks Manufacturing Company feels that a fireworks display must be dramatic. For that reason, everything leads to the finale. The intent is to generate continually increasing “OHH’s” and “AHH’s” until the breathless end. The audience should always wish that there were more, but still feel complete. We normally build two fifteen second breaks into our programs: one after the first three to four minutes, and the other just prior to the grand finale. These are certainly not required. We can easily keep the program continuous. We do feel, however, quite strongly that the breaks contribute to the drama of the display. Just as the audience has decided that the program may be over, they are surprised by shell bursts that are even more dramatic than those that they have already seen. This is particularly impressive when the grand finale starts. We would like to suggest that you consider this when watching video tape I which incorporates both breaks. There is no difference in price either way, it is a matter of artistic judgment.

Our pricing is not dependent upon the number of shells used. Although material costs are significant, we price on the basis of the number of shells normally used depending upon program length. Duds are not a problem. We build enough redundancy into the design so that the audience would never know if something failed to fire. We expect to take back a certain number of unused shells. This will become apparent to the COR when we present our final design. In addition, we would like to include the COR in our design process. Every program is designed for the specific event. We would appreciate the COR’s concurrence as each design phase is completed. This can be accomplished by fax, or the COR is welcome to join us at our facility.

Ohio Fireworks Manufacturing Company

We will provide our own on site office trailer and all materials necessary for the performance. We would appreciate an electrical hookup, water, and a telephone line if possible. These are not necessary (we are self contained) but they are convenient. The proposed schedule is quite satisfactory, and we take no exception to the other provisions of the RFP.

Cleanup

The Ohio Fireworks Manufacturing Company proposes to subcontract the cleanup work following the fireworks display. We will use a small, local, minority owned and operated firm called Lewis Brothers. The subcontractor is licensed to handle explosive materials, which may be necessary, should there be any unexploded shells. This subcontractor has been used before for trash cleanup on public park land after major events, and has a history of satisfactory performance. The administrator of the subcontract is Mr. Joseph Heller, the contractor's project manager, who will be responsible for on site performance. No other subcontracting is anticipated.

Proposal For

Fourth of July Celebration

Cost Proposal

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Ohio Fireworks Manufacturing Company

9241 Rock Hill Place
Bellaire, OH 43565

Ohio Fireworks Manufacturing Company

Cost Proposal - Firm Fixed Price

Direct Labor

Program Design:	one designer	8hrs at \$20/hr	=	\$ 160
	senior designer	8hrs at \$30/hr	=	\$ 240
Firing Team:	one supervisor	24hrs at \$30/hr	=	\$ 720
	two assistants	24hrs at \$20/hr	=	\$ 960
Special Management:	one Vice President	2 days at \$500/day	=	<u>\$ 1,000</u>
Total Direct Labor				\$ 3,080

Overhead on Direct Labor (150%) = \$ 3,120

Materials (Estimated, based on actual experience runs +/- 3%) = \$47,500

Narration and Music = \$ 1,500

Travel

Three people	three days at \$150/day	=	\$ 1,350
Mileage-truck and office trailer	1,000 miles at \$1/mile	=	\$ 1,000

**Travel for Vice President charged to overhead.

Total Travel = **\$ 2,350**

G&A = \$10,350

Profit = \$12,000

Cleanup = \$ 2,000

Total Cost = **\$81,900**

Proposal For
Fourth of July Celebration

Technical Proposal

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Elkton Sparkler Co, Inc.

P.O. Box F
North East, MD 21901

Introduction

Elkton Sparkler Co, Inc. thanks the Forest Hill Federal Management Office for the opportunity to submit this proposal for the development and implementation of a Fourth of July fireworks display for the Washington, DC celebration. Elkton Sparkler Co, Inc. will provide the Forest Hill Federal Management Office with a sensational fireworks display guaranteed to thrill all viewing audiences.

Elkton Sparkler Co, Inc. is a company devoted exclusively to the design and display of fireworks. We specialize in combining the best that we and the industry have to offer in order to provide you with an exceptional show. In addition, we support all we sell with a highly trained staff of designers, technicians, and engineers.

To meet the Forest Hill Federal Management Office's needs Elkton Sparkler Co, Inc. plans to integrate state of the art fireworks to create a most dazzling aerial display. This fireworks display will be continuous and will utilize only the highest bursting pieces.

This proposal furnishes the Forest Hill Federal Management Office with all the information necessary to evaluate Elkton Sparkler Co, Inc. for this effort.

Objective

Elkton Sparkler Co, Inc. will create and produce a spectacular, continuous-fire, aerial display visible to an audience viewing from most area vantage points for a distance of four to five miles. The program will be appropriately layered and balanced using as many high bursting pieces as possible. The program will run for thirty to thirty-five minutes. There are no exceptions taken to the requirements of the RFP.

Background and Qualifications

The Elkton Sparkler Co, Inc. is a growing business that was founded in 1987. Since that time we have built a respectable client base including Cedar Point and Busch Gardens amusement parks. We concentrate all of our efforts on meeting our client's requests and providing them with the most innovative and spectacular fireworks display available.

Our staff is made up of designers, technicians, and engineers all of whom are highly educated. We have two lead designers who have been in the pyrotechnics field for ten years. Our designers and engineers spend two weeks

Background and Qualifications (cont.)

every year traveling the world and identifying new techniques so that our fireworks display are always state-of-the-art entertainment. Our technicians ensure the quality of all the shells we purchase to guarantee our clients satisfaction and decrease the chances of misfiring. Elkton Sparkler Co, Inc's technicians are the best in the business and have a perfect safety record, no accidents in five years.

In addition, to the Cedar Point and Busch Gardens amusement parks, we also perform the Fourth of July Fireworks display for Montgomery and Prince George's counties. We have enclosed a video tape that shows a forty and twenty minute display. Please note that the forty minute display incorporates 3 ground displays. Elkton Sparkler Co, Inc. is not planning to incorporate ground displays for this proposal. Finally, we have provided you with a list of our clients should you wish to check references.

Technical Approach

Elkton Sparkler Co, Inc. views fireworks as entertainment that must invigorate its viewing audience. Therefore, each display must be innovative, thrilling, and exciting causing the audience to sit in anticipation for the next burst of light to dance across the sky. For that reason, our top designer has developed a dazzling show tailored especially for the Forest Hill Federal Management Office.

This Fourth of July Celebration we will launch new fireworks developed in China. These new fireworks have only been introduced to America six months ago. We have spent a considerable amount of time testing and creating this new show and are planning a debut in Montgomery county this Fourth of July.

The opening is a spectacular burst of light that forms the shape of the American flag with sprinkling gold dust floating to the ground. The opening should last approximately ten minutes. Next, the body consists of a symmetrical blend of high bursting shells and bright colors. The body will last approximately fifteen minutes. The finale will use only state-of-the-art shells and be as high bursting and colorful as possible. This part of the fireworks display should last approximately ten minutes. There will be no perceivable break in the flow of the display. Each part will have a smooth transition into the next.

We are fully self-sufficient and will provide our own on site office trailer and all necessary firing materials for the performance. The proposed schedule is quite satisfactory, and we take no exception to the other provisions of the RFP.

Cleanup

Elkton Sparkler Co, Inc. has the staff to handle all the necessary preparation for the display, launch, and takedown. We conform to all regulations which apply to handling pyrotechnics as determined by the Federal, state, local, and National Park Service.

Proposal For
Fourth of July Celebration

Cost Proposal

Submitted To:

Forest Hill Federal Management Office

Headquarters, Office of Parks & Recreation
2426 Carnation St., NW
Washington, DC 20400

Submitted By:

Elkton Sparkler Co, Inc.

P.O. Box F
North East, MD 21901

Elkton Sparkler Co, Inc.

Direct Labor

Program Design:	senior designer	40hrs at \$55/hr	=	\$ 2,200
Firing Team:	one supervisor	30hrs at \$25/hr	=	\$ 750
	two assistants	30hrs at \$20/hr	=	<u>\$ 1,200</u>
Total Direct Labor			=	\$ 4,150

Overhead on Direct Labor = \$ 2,500

Materials = \$47,000

Narration and Music = \$ 2,990

Travel

Six people	three days at \$400/day	=	\$ 7,200
Mileage-truck and office trailer	120 miles at \$4/mile	=	<u>\$ 480</u>
Total Travel		=	\$ 7,680

G&A = \$ 9,680

Profit = \$12,000

Total Cost = **\$86,000**

Lesson Plan

MID-WEEK REVIEW

TIME	TOPIC	OBJECTIVES
Wednesday 8:00 - 8:05	Introduction to Mid-Week Review	<ul style="list-style-type: none">Identify how to play the review game.
Wednesday 8:05 - 8:35	Statement of Work	<ul style="list-style-type: none">Critique Statements of Work (SOW) and related elements of the Purchase Request (PR).Select provisions and clauses for the Request for Proposals (RFP) and assemble the RFP.
	Technical Evaluation & Source Selection Plan	<ul style="list-style-type: none">Advise and assist Requiring Activity in formulating technical evaluation criteria.Prepare a Source Selection Plan.
	Contract Types	<ul style="list-style-type: none">Select, and when required, justify type of contract.
	GFP, Bonds, RFPs	<ul style="list-style-type: none">Select provisions and clauses for the Request for Proposals (RFP) and assemble the RFP.
	Pre-Proposal Conferences & Amending/Canceling RFPs	<ul style="list-style-type: none">Determine the need for and conduct a pre-proposal conference.Determine whether to amend, cancel, or make no changes to the RFP.Prepare amendments or cancel the RFP.
	Processing Proposals & Reviewing Technical Evaluations	<p>Determine timeliness, completeness and responsiveness of proposals.</p> <ul style="list-style-type: none">Analyze technical evaluation reviews.

Lesson Plan

CHAPTER 9 - PRICE OBJECTIVES

[illegible]

CHAPTER 9

PRICE OBJECTIVES

TABLE OF CONTENTS

Exercise 9-1 Prenegotiation Position on Price	9-2
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Exercise 9-1
Prenegotiation Position on Price

Using the Market Report from Exercise 2-1, page CE2-2, and the material in the Text Reference on page 9-10 and proposals for the fireworks procurement develop a rationale for the Prenegotiation Position on Price.

Lesson Plan

CHAPTER 10 - CERTIFICATES OF COST AND PRICING DATA & AUDITS

TIME	TOPIC	OBJECTIVES
Wednesday 10:15 - 10:20	Introduction to Certificates of Cost and Pricing Data	<ul style="list-style-type: none">• Define certified cost and pricing data.• Describe the importance and purpose of price related certificates.• Define the policy of current cost or pricing data.
Wednesday 10:20 - 11:00	Certificates of Cost and Pricing Data	<ul style="list-style-type: none">• Determine whether the offeror is exempt from the requirement to certify data.• Request and obtain data for cost or price analysis.• Identify inaccurate, incomplete, or non-current data and request new data.• Obtain a properly executed certificate of current cost or pricing data.• Determine whether to exempt the offerors from the requirement.• Establish the time period to be covered by the certificate.• Verify the certificate prior to agreements on price.
Wednesday 11:00 - 11:05	Introduction to Audits	<ul style="list-style-type: none">• Define field pricing support.• Identify the purpose of an audit.
Wednesday 11:05 - 12:00	Audits	<ul style="list-style-type: none">• Determine whether to request an audit.• Request the audit.• Assist auditors in obtaining data.• Review the report.
Wednesday 12:00 - 1:00	LUNCH	

CHAPTER 10

CERTIFICATES OF COST AND PRICING DATA & AUDITS

TABLE OF CONTENTS

Case Study 10-1 Standard Form 1412 10-2

Case Study 10-2 Auditing 10-4

Checklist for an Audit 10-6

View Graphs Used in Chapter 10

Cost and Pricing Data

Truth in Negotiations Act of 1962

Exercise 10-1
Standard Form 1412

Review the information on the Standard Form 1412, Claim for Exemption from Submission of Certified Cost or Pricing Data, and determine if the offeror is exempt. Make any necessary notations on this page. Use the formula found in the Text Reference on pages 10-9 to 10-11.

CLAIM FOR EXEMPTION FROM SUBMISSION OF CERTIFIED COST OR PRICING DATA			FORM APPROVED OBM NO. 3090-0116
1. OFFEROR (Name, address, ZIP code) US Tank Ink 33 Military Drive Detroit, MI 00004		3. SOLICITATION NO. 55-1212-678	
2. DIVISION(S) AND LOCATION(S) WHERE WORK IS TO BE PERFORMED Detroit, MI		4. ITEM OF SUPPLIES AND/OR SERVICES TO BE FURNISHED Pin Guide	
		5. QUANTITY 80,000	6. TOTAL AMOUNT PROPOSED FOR ITEM \$3,616,000.00
By submission of this form the offeror claims exemption from requirements for submitting certified cost or pricing data on the basis that the price offered is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public or is a price set by law or regulation (see FAR 15.804-3). Complete Section I, II, or III below as applicable			
SECTION I - CATALOG PRICE (See Instructions for items 7 thru 11 on reverse>)			
7. CATALOG IDENTIFICATION AND DATE Tank Parts Vol. I/Spring 1992		8. SALES PERIOD COVERED FROM Jan 1990 TO Jan 1991	
9. CATEGORIES OF SALES	10. REMARKS		
a. U.S., Government sales	TOTAL UNITS SOLD* 91,000		
b. Sales at catalog price to general public	45,000		
c. Other sales to general public	22,500		
*If your accounting system does not provide precise information, insert your best estimate and explain the basis for it in Item 10, REMARKS> Continue on a separate sheet, if necessary.			
11. LIST THREE SALES OF THE ITEM OFFERED			
SALES CATEGORY	DATE	NO. OF UNITS SOLD	PRICE/UNIT
a. <input type="checkbox"/> B <input type="checkbox"/> C			
b. <input type="checkbox"/> B <input type="checkbox"/> C			
c. <input type="checkbox"/> B <input type="checkbox"/> C			
SECTION II - MARKET PRICE (See Instructions for Item 12 on reverse)			
12. SET FORTH THE SOURCE AND DATE OR PERIOD OF THE MARKET QUOTATION OR OTHER BASE FOR MARKET PRICE, THE BASE AMOUNT, AND APPLICABLE DISCOUNTS. Previously set by competitive procurement, June 1990 US Tank Army Automotive Command			
SECTION III - LAW OR REGULATION (See instructions for Item 13 on reverse)			
13. IDENTIFY THE LAW OR REGULATION ESTABLISHING THE PRICE OFFERED None			
REPRESENTATION (See Instructions for Item 14 on reverse.)			
The offeror represents that all statements made above and on attachments submitted are accurate and are submitted for the purpose of claiming exemption from requirements for submitting certified cost or pricing data. The offeror also represents that, except as stated in an attachment, a like claim for exemption involving the same or a substantially similar item has not been denied by a Government Contracting Officer within the last 2 years. Pending consideration of the proposal supported by this submission and, if this proposal or a modification of it is accepted by the Government, until the expiration of 3 years from the date of final payment under a contract resulting from this proposal, the Contracting Officer or any other authorized employee of the United States Government is granted access to books, records, documents, and other supporting data that will permit verification of the claim.			
14. TYPED NAME, TITLE, AND FIRM Beetle Bailey, VP of Marketing US Tank, Inc.		15. SIGNATURE	16. DATE OF SUBMISSION 11/10/92

NSN 7540-01-142-0946
1412-101

STANDARD FORM 1412 (10-83)
Prescribed by GSA
FAR (48 CFR) 53.215-2(b)

Case Study 10-2

Auditing

Read the following 4 case studies using the Audit Checklist and determine, in each case, if an audit is required. Justify your answer.

1. Saul Bellow is negotiating a contract for a research project required by the Department of Transportation. DOT has commissioned a safety analysis of public transportation systems and has allocated \$500,000 for the project. Saul has received only one proposal in response to the RFP and therefore has no competitive information on which to base a "fair and reasonable" price analysis. In addition to its proposal, the DLS Company has provided a Certificate of Current Cost or Pricing Data. Saul realizes that he does not have the expertise to successfully analyze the pricing data. Should he request an audit?

2. John Updike must contract for landscaping services for the Department of the Interior. This is a rather extensive contract including landscaping and maintenance work on a number of Federal park lands. The RFP states that the contract will be awarded based on greatest value, and has specified criteria for the technical evaluation. After negotiations, it looks as if the contract will be awarded to the incumbent contractor, Angstrom Landscaping, Inc. John has requested a cost breakdown from Angstrom Landscaping and has decided to order an audit. Angstrom has provided a subcontracting plan that names a subsidiary, Tenderfoot Corporation, to supply the majority of the labor for this job. Should John also request an audit of the subcontractor?

3. Anne Rice is reviewing a proposal for an \$80,000 purchase of scientific holograph equipment. The proposal has been submitted by Weird Science, Inc., a small business based in Monterey Beach, California. She is questioning the cost breakdown which quotes an overhead rate of 100% of direct labor and a General and Administrative rate of 10% of direct labor. Anne knows that Weird Science employs only two people and operates from a privately owned bungalow on the beach. These rates do not make sense. Should Anne request an audit?

Case Study 10-2
Auditing

4. Leslie Nielson, Contract Specialist for the July 4th fireworks display held in Washington D.C., has received five different proposals ranging in price from \$79,000 to \$176,000. Based on your knowledge of the fireworks procurement, should Leslie request an audit of any of the offerors?

Checklist for an Audit

Factors	Yes	No
Determining the Need for an Audit 1. Is it necessary to obtain an audit? 2. Is field pricing support available? 3. Is additional information available to determine the reasonableness of proposed cost or price? 4. Is there a request for exemption from submitting certified cost/pricing data? 5. Will expected benefits outweigh cost, time, and other factors?		
Obtaining an Audit 1. Is there a need for a full audit? Is there a need for a rate verification? 2. What type of information is required by the audit? - Direct Labor Rates - Indirect Cost Pool Compositions - Indirect Cost Projections - Distribution of Facilities Capital - Facilities Capital Cost of Money Factors - Offeror Proposal and Applicable Portions of the Solicitation 3. Has enough time be allotted for submission of report?		
Reviewing an Audit 1. Have you extracted the relevant facts from the audit? 2. Have you identified missing or poorly documented facts? 3. Have you identified fallacies in the audit? 4. Have you identified inconsistencies between the audit and other available data?		

Lesson Plan

CHAPTER 11 - COST ANALYSIS

TIME	TOPIC	OBJECTIVES
Wednesday 1:00 - 1:05	Introduction to Cost Analysis	<ul style="list-style-type: none">• Define cost analysis.• State the objectives of cost analysis.• Describe the policy and purpose of cost analysis.
Wednesday 1:05 - 1:40	Cost Analysis	<ul style="list-style-type: none">• Collect data and verify the adequacy of offeror's estimating systems.• Identify the offeror's contingencies and other planning assumptions.• Draft "should cost" positions on offeror's plans for performing work.
Wednesday 1:40 - 2:45	Prenegotiation Positions for Cost/Profit	<ul style="list-style-type: none">• Establish prenegotiation objectives for each element of cost.• Establish prenegotiation positions for profit/fee.• Establish prenegotiation positions on the total cost/price.• Establish prenegotiation positions on ceiling price.• Document rationale and factual support for prenegotiation positions.
Wednesday 2:45 - 3:00	BREAK	

CHAPTER 11

COST ANALYSIS

TABLE OF CONTENTS

Exercise 11-1 Identify Contingencies	11-2
Exercise 11-2 Elements of Cost	11-3
Exercise 11-3 Cost Analysis	11-4
View Graphs Used in Chapter 11	

- Data for Cost Analysis
- Estimating System Survey Report
- Elements of Cost - Direct Material
- Elements of Cost - Material Overhead
- Elements of Cost - Direct Labor
- Elements of Cost - Other Direct Costs
- Elements of Cost - Indirect Costs
- Structured Approach to Profit Analysis

Exercise 11-1

Identify Contingencies

Using the Statement of Work (SOW) from page CE-2-6, identify those areas in which you may expect to see contingency pricing in the proposals.

Exercise 11-2

Elements of Cost

Read the following 3 case studies and determine whether or not the proposed cost is allowable and allocable for the fireworks procurement. Justify your answer.

1. Vitale Fireworks Manufacturer Co. submits a proposal for the July 4th fireworks display. Included under direct labor costs is compensation for three persons to assist the two qualified operators. It is proposed that the third assistant will be making a video tape of the production for marketing purposes. Is this an allocable direct cost?
2. Elkton Sparkler Co, Inc. has estimated \$7,680 in direct costs for transportation, storage at the launch site, and receiving and inspection expenses for the fireworks. Are these allowable costs?
3. Ohio Fireworks Manufacturing Company has set aside \$2,000 of direct labor costs for the company's Vice President of Marketing and Finance to travel to Washington D.C. and observe the fireworks display. Is this an allocable cost?

Exercise 11-3 Cost Analysis

Part I

For the purpose of this Exercise, let's assume that the only proposal received in response to the Fourth of July fireworks RFP was that of Burnett Fireworks, Inc. Use Burnett Fireworks, Inc. proposal and the Independent Government Estimate provided. The Contract Specialist will request an audit of Burnett Fireworks, Inc. What areas of cost will the Contract Specialist instruct the auditor to research?

Part II

After completing this exercise, turn to the Audit Report Summary and perform a cost analysis for the fireworks procurement.

Exercise 11-3 (cont.)
Cost Analysis
Independent Government Cost Estimate

Direct Labor

Design:	20 hours @ \$30/hr.	\$ 600
Firing Team:		
Supervisor	24 hours @ \$40/hr.	\$ 960
Two assistants	24 hours @ \$20/hr.	<u>\$ 960</u>

Total Direct Labor: **\$ 2,520**

Overhead on Direct Labor: \$ 2,520

Material: \$54,560

Travel: three people for three nights @ \$100/night \$ 900

G&A: \$ 7,000

Profit: \$ 7,500

Total Price: **\$75,000**

Exercise 11-3 (cont.)
Cost Analysis
Audit Summary

The first area of cost the auditor will question will be the labor costs. Has the contractor proposed an average cost and subsequently assigned lower paid personnel? In a firm-fixed price contract, the Government would pay too high of a labor price under this arrangement.

The auditor inspected Burnett's payroll records to determine that the hourly rates quoted are actually the rates being paid. The audit report states that the firing team assistants are actually paid ten percent less than the rate proposed.

Are the proposed material cost based on actual quotes from outside suppliers, or general experience? The auditor must question the contractor's estimate. Those costs are significantly higher than the Government Cost Estimate. The auditor reports that Burnett manufactures ninety percent of the shells being used. Burnett is quoting the same material cost that would be charged to an outside purchaser. This is, in effect, allowing Burnett two profits.

The auditor also discovered that Burnett's overhead costs are actually eight percent less than proposed, due to increased business for the year.

Perform a cost analysis based on the Government Independent Cost Estimate, Burnett's proposal, and the Audit Report summary provided. Discuss the questionable areas of cost and develop a plan for questioning the contractor on those costs.

Lesson Plan

CHAPTER 12 - COMPETITIVE RANGE, FACTFINDING, NEGOTIATION STRATEGY

TIME	TOPIC	OBJECTIVES
Wednesday 3:00 - 3:05	Introduction to the Competitive Range	<ul style="list-style-type: none">• State the purpose of the competitive range determination.• Describe the policy involved in the competitive range determination.
Wednesday 3:05 - 4:00	Competitive Range	<ul style="list-style-type: none">• Determine whether to award without discussions.• Establish the initial competitive range.• Notify appropriate offerors of decision not to consider their proposals further.
Thursday 8:00 - 8:05	Introduction to Factfinding	<ul style="list-style-type: none">• State the objective of factfinding.• Describe the process of factfinding.
Thursday 8:05 - 8:30	Factfinding	<ul style="list-style-type: none">• Identify data needed from the offeror to complete analysis.• Determine method of factfinding.• Prepare for factfinding.• Conduct factfinding session.
Thursday 8:30 - 8:35	Introduction to Negotiation Strategy	<ul style="list-style-type: none">• Describe the purpose of developing a negotiation strategy.• Describe the steps in planning a negotiation strategy.
Thursday 8:35 - 10:00	Negotiation Strategy	<ul style="list-style-type: none">• Review prenegotiation objectives.• Research offerors probable strategies and tactics.• Prepare a prenegotiation plan.• Prepare a negotiation agenda.
Thursday 10:00 - 10:15	BREAK	

CHAPTER 12

**COMPETITIVE RANGE, FACTFINDING, NEGOTIATION
STRATEGY**

TABLE OF CONTENTS

Exercise 12-1 Establish Competitive Range 12-2

Exercise 12-2 Prenegotiation Plan 12-4

View Graphs Used in Chapter 12

Determining Competitive Range
Negotiation Strategy

Exercise 12-1

Establish Competitive Range

Read the following Government proposal summaries and establish a competitive range for the fireworks procurement.

Extent of Competition: The solicitation was advertised in the *Commerce Business Daily* on January 15. The package was sent to eighteen potential contractors on March 1. Five proposals were received.

Illinois Fireworks Co., Inc.

This proposal fails to address a number of specifications of the SOW. Although Illinois provides the required number of shells, they do not provide for a wide variety of shells. The video of the proposed program was less than impressive, lacking the variety and visual effects required. The provisions for cleanup are omitted entirely. Illinois has been in business for fourteen years, however their qualified operators have only satisfactory levels of experience. Illinois' proposed cost is \$79,000. They received the following technical ratings:

Quality - 19

Creativity - 22

Qualifications - 10

Vitale Fireworks Manufacturer Co.

Vitale's proposal demonstrates a clear understanding of the program objective. The number and distribution of shells meets the requirement. Vitale proposes a very attractive display and the musical program is highly rated. Vitale has qualified operators with ten years experience in the field. The offeror also has experience with televised displays. Vitale proposes to subcontract the cleanup and there are some deficiencies that must be resolved in this area. There are also concerns regarding Vitale's direct labor estimates. Vitale's proposed cost is \$89,000. They received the following technical ratings:

Quality - 26

Creativity - 37

Qualifications - 16

Burnett Fireworks, Inc.

This proposal is well written and provides a detailed description of their program. Burnett has an impressive reputation in the industry and is known for their spectacular special effects. Burnett intends to use a relatively new "sparkler shell" for the July 4th program; however, the new type of shell is untested and is not guaranteed to perform as expected. Burnett clearly meets the specifications of the SOW for number and distribution of shells. The provisions for setup and cleanup are also satisfactory. Burnett's proposed cost is \$176,000. They received the following technical ratings:

Quality - 28

Creativity - 43

Qualifications - 16

Exercise 12-1

Establish Competitive Range

Elkton Sparkler Co. Inc.

Elkton's proposal described a well rounded visual program. Elkton Sparkler Company is fairly new to the industry and experience is of concern. It is not known if Elkton has ever produced a program of this magnitude. The proposed finale was also not as effective as hoped for. Elkton's proposal complies with the specifications of the SOW for providing setup and cleanup. Their proposed cost is \$86,000. They received the following technical ratings:

Quality - 24

Creativity - 34

Qualifications - 8

Ohio Fireworks Manufacturing Company

Ohio Fireworks provided a well organized and detailed proposal that reflects a solid understanding of the requirement. They propose a visually effective program and earned high marks for the finale. Ohio rated highly in professional experience with an impressive background in national programs. Ohio Fireworks has been a family owned business for eighty-two years. They have provided a subcontracting plan for cleanup. Ohio's proposed cost is \$81,900. They received the following technical ratings:

Quality - 21

Creativity - 34

Qualifications - 17

Exercise 12-2

Prenegotiation Plan

Develop a prenegotiation plan using your assigned proposal. Use the results of the price analysis, technical evaluation, and any other materials you feel are necessary to develop. Assign each member of the group a role for the prenegotiation plan. Remember that the award will be based on the combination of price and technical evaluation of the program. What strategies will you use to negotiate? Develop a rationale for your prenegotiation positions. Be prepared to use and support your rationale to conduct negotiations.

1. Identify factors affecting negotiations.
2. Identify negotiation priorities.
3. Develop overall strategy.

Lesson Plan

CHAPTER 13 - CONDUCTING NEGOTIATIONS & MISTAKES

TIME	TOPIC	OBJECTIVES
Thursday 10:15 - 10:20	Introduction to Conducting Negotiations	<ul style="list-style-type: none">• Describe the purpose of negotiations.• Describe the procedure involved in negotiations.• Identify the factors contributing to successful negotiations.
Thursday 10:20 - 12:00	Conducting Negotiations	<ul style="list-style-type: none">• Schedule discussions and brief team.• Conduct discussions.• Identify and apply special tactics for sole source discussions.• Conclude discussions.
Thursday 12:00 - 1:00	LUNCH	
Thursday 1:00 - 2:20	BAFO's & PNM's	<ul style="list-style-type: none">• Request Best and Final Offers (BAFOs).• Identify the highest ranking BAFO.• Determine the need to reopen discussions.• Prepare the Price Negotiation Memorandum (PNM).
Thursday 2:20 - 2:35	BREAK	
Thursday 2:35 - 2:40	Introduction to Mistakes in Offers	<ul style="list-style-type: none">• Identify the impact of mistakes in offers during negotiations vs. sealed bidding.• Recognize the importance of correcting genuine mistakes.
Thursday 2:40 - 3:00	Mistakes in Offers	<ul style="list-style-type: none">• Identify and correct minor informalities and irregularities.• Identify and correct other suspected mistakes in the course of discussions.• Process mistakes when awarding without discussions.

CHAPTER 13

CONDUCTING NEGOTIATIONS & MISTAKES

TABLE OF CONTENTS

Exercise 13-1 Negotiation Discussions	13-2
Exercise 13-3 Complete a PNM	13-4

Exercise 13-1
Negotiation Discussions

Conduct negotiations with your assigned offeror in the fireworks procurement, use the following list as a guide.

GOVERNMENT TEAM LIST

1. Make opening statement.
 - Introduce team members.
 - Synopsize the procurement.
 - State the results of the proposal review.
 - State the purpose of the negotiations.
2. Settle on agenda with offeror.
3. Negotiate technical issues.
4. Reach agreement on technical issues.
5. Negotiate cost issues.
6. Reach agreement on cost issues.
7. Review each point of agreement and ensure understanding.
8. Ensure no issues are left unaddressed.
9. Let the offeror know what the next step will be.
10. Thank the offeror for coming.

Exercise 13-1
Negotiation Discussions

Conduct negotiations with your assigned offeror in the fireworks procurement, use the following list as a guide.

CONTRACTOR TEAM CHECKLIST

1. Make opening statement (after Government).
 - Introduce team members.
2. Settle on agenda with government.
3. Negotiate technical issues.
4. Reach agreement on technical issues.
5. Negotiate cost issues.
6. Reach agreement on cost issues.
7. Review each point of agreement and ensure understanding.
8. Ensure no issues are left unaddressed.

Exercise 13-3
Complete a PNM

Complete a PNM (Price Negotiation Memorandum) based on the negotiation discussion you conducted for the fireworks procurement. In the PNM include the major points of your negotiation discussions.

Purpose:

Discussion:

Team Members:

Cost and Pricing Data:

Summary of Proposals:

Price Objectives vs Negotiated Price:

Basis for Determining Profit or Fee:

Lesson Plan

CHAPTER 15 - PREPARING AWARDS

[illegible]

CHAPTER 15

PREPARING AWARDS

TABLE OF CONTENTS

Exercise 15-1 Award Decision	15-2
Exercise 15-2 Contract File	15-3

Exercise 15-1 Award Decision

Based on the previous exercises and the best and final offers received, recommend an award decision for the fireworks procurement. Justify your answers.

Best and final offers have been received from two of the three contractors. Vitale informed the Government of the withdrawal of its offer. Here are the results from Ohio and Elkton.

Elkton Sparkler Co., Inc.

- Provided more references concerning level of experience of designers and firing team. The Government is more than pleased with these qualifications.
- Dramatically improved the finale's impact. It far surpasses the Government's expectations.
- Reduced material costs.

BAFO	\$84,000	Technical Rating	87
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Ohio Fireworks Manufacturing Company

- Improved upon how the effects in the finale are to be achieved. They provided a detailed sequence of events that satisfied all concerns.
- Adjusted travel costs by assuming the travel cost for 1 person.
- Adjusted material costs.

BAFO	\$79,950	Technical Rating	81
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The procurement was originally funded at \$75,000 based on an Independent Government Cost Estimate. The Government is faced with a slightly higher indirect expense rate than that used by the Government estimator. Also, the Government underestimated cost in the area of shell selection. Additional funds of \$10,000 are made available for the award.

Exercise 15-2 Contract File

Using the Contracting Office Contract File Checklist in the Text Reference (page 15-9), assemble all required documentation for the fireworks contract award from the whole course's exercises using the Contract File Tab located in the back of this chapter.

SECTION I

PLANNING

1. PURCHASE REQUEST & ACQUISITION PLAN.
2. JUSTIFICATIONS & APPROVALS, AND D & Fs.
3. EVIDENCE OF AVAILABILITY OF FUNDS.
4. SYNOPSIS IN CBD.
5. LIST OF SOURCES SOLICITED AND THOSE DENIED SOLICITATION.
6. SET-ASIDE DECISION.

SECTION II

RFP

7. GOVERNMENT ESTIMATE OF CONTRACT PRICE.
8. RFP AND ANY AMENDMENTS THERETO.
9. SECURITY REQUIREMENTS AND CLEARANCES.
10. EACH OFFER AND THE RELATED ABSTRACT.

SECTION III

SOURCE SELECTION

- 11. OFFEROR'S CONTINGENT FEE REP. AND OTHER CERTS. & REPS.
- 12. PREAWARD SURVEY REPORTS.
- 13. SOURCE SELECTION DOCUMENTATION.
- 14. CO'S DETERMINATION OF THE OFFEROR'S RESPONSIBILITY.
- 15. SBA CERTIFICATE OF COMPETENCY.
- 16. RECORDS OF OFFEROR'S COMPLIANCE WITH LABOR POLICIES .

SECTION IV

COST & PRICING

- 17. COST OR PRICING DATA AND CERTIFICATES.
- 18. PACKAGING AND TRANSPORTATION DATA.
- 19. COST OR PRICE ANALYSIS.
- 20. AUDIT REPORTS.

SECTION V

DISCUSSIONS

- 21. RECORD OF NEGOTIATION.
- 22. JUSTIFICATION FOR TYPE OF CONTRACT.
- 23. DEVIATIONS FROM REGULATIONS, ETC.
- 24. REQUIRED APPROVALS OF AWARD.
- 25. NOTICE OF AWARD.

SECTION VI

CONTRACT

26. SIGNED CONTRACT OR AWARD; ALL CONTRACT MODIFICATIONS.

27. SYNOPSIS OF AWARD.

28. NOTICE TO UNSUCCESSFUL OFFERORS & RECORD OF DEBRIEFING.

29 - 43.

Lesson Plan

CHAPTER 16 - SUBCONTRACTING GOALS, AWARD, & DEBRIEFING

TIME	TOPIC	OBJECTIVES
Friday 8:00 - 8:05	Introduction to Subcontracting Plans	<ul style="list-style-type: none">• Explain the statutory requirements involving small business and small disadvantaged business concerns.• Describe how subcontracting plans are reviewed to ensure maximum small business contracting participation.
Friday 8:05 - 8:40	Subcontracting Plans	<ul style="list-style-type: none">• Obtain subcontracting plans from offerors.• Research subcontracting potential.• Determine adequacy of the proposed subcontracting plan.• Negotiate or request a corrected plan.• Determine the offeror's responsibility based on submitted plan.• Determine the amount of monetary incentive for exceeding goals (if any).• Notify SBA of the award.
Friday 8:40 - 8:45	Introduction to Awards	<ul style="list-style-type: none">• Define contract award.• Describe the responsibilities of the Contract Specialist in finalizing the award.
Friday 8:45 - 9:15	Awards	<ul style="list-style-type: none">• Obtain approvals for awarding the contract.• Make preaward notifications.• Execute contract and transmit notice to successful offeror.• Make post-award notifications.
Friday 9:15 - 9:20	Introduction to Debriefing	<ul style="list-style-type: none">• Define debriefing and explain its purpose.• Explain the policy associated with debriefing.
Friday 9:20 - 10:20	Debriefing	<ul style="list-style-type: none">• Prepare for debriefing.• Conduct debriefings.• Document debriefing.
Friday 10:20 - 10:35	BREAK	

CHAPTER 16

SUBCONTRACTING GOALS, AWARD & DEBRIEFING

TABLE OF CONTENTS

Case Study 16-1 Review a Subcontracting Plan 16-2

View Graphs Used in Chapter 16

Approving Officials

Pre-Award Notifications

Post-Award Notifications

Case Study 16-1

Review a Subcontracting Plan

Review the following summary of the subcontracting plan and identify any problem areas. Is more information required? Is the plan acceptable?

Megagiant Corporation has proposed a total price of \$8,200,000 for the production and delivery of portable special purpose vehicles for use in housing field inspection teams. The vehicles contain a lounge area, a small testing lab and toilets with showers. While, most of the components are available commercially, some components must be developed from scratch. Megagiant has submitted the required subcontracting plan which reads as follows:

SUBCONTRACTING PLAN

Megagiant proposes to subcontract 5% of the total bill of materials of \$2,300,800 with small business concerns. Mr. Jenson heads our subcontracting office and will oversee this goal. Our subcontracting department will include all relevant clauses in all subcontracts. Mr. Jenson will place ads in the newspaper to solicit small business participation. We keep copies of all subcontracts for seven years after completion of any contract. We propose that a 5% incentive fee be included for achieving our subcontracting goals.

Megagiant's bill of materials contained the following items:

Chassis	\$510,000
Hot plates	9,000
Refrigerators	29,000
Carpet	4,000
Drapes	4,000
Custom tables	30,000
Custom benches	15,000
Acoustical tile	3,000
Drive train	700,000
Custom bodies	600,000
Custom cabinets	300,000
Custom Air conditioners	80,000

Lesson Plan

FINAL REVIEW

TIME	TOPIC	OBJECTIVES
Friday 10:35 -10:40	Introduction to the Final Review	<ul style="list-style-type: none"> • Identify how to play the review game.
Friday 10:40 - 12:00	Price Objectives	<ul style="list-style-type: none"> • Analyze market conditions and pricing data. • Develop and support the Government's prenegotiation position on price.
	Certificates of Cost and Pricing Data & Audits	<ul style="list-style-type: none"> • Determine the necessity for and obtain certificates of current cost or pricing data and certificates of commercial pricing. • Determine the need for, request and review audit reports; resolve questions on audits with auditors.
	Cost Analysis	<ul style="list-style-type: none"> • Analyze proposed elements of cost to develop prenegotiation ranges on major elements of cost.
	Competitive Range, Factfinding, Negotiation Strategy	<ul style="list-style-type: none"> • Establish the competitive range. • Conduct/participate in factfinding sessions. • Develop prenegotiation objectives, strategies, and tactics.
	Conducting Negotiations and Mistakes	<ul style="list-style-type: none"> • Conduct negotiation sessions. • Prepare price negotiation memoranda. • Identify and correct mistakes in offers.
	Preparing Awards	<ul style="list-style-type: none"> • Make or recommend the final source selection decision or reject all offers. • Prepare and review contracts.
	Subcontracting Goals, Award & Debriefing	<ul style="list-style-type: none"> • Review and approve subcontracting plans for inclusion in the contract. • Apply procedures for awarding contracts and provide notice of awards. • Debrief unsuccessful offerors.

Lesson Plan

FINAL REVIEW (cont'd.)

TIME	TOPIC	OBJECTIVES
Friday 12:00 - 1:00	LUNCH	
Friday 1:00 - 2:30	EXAM	